UNITED STATES DISTRICT COURT EASTERN DISTRICT OF NEW YORK

NATHANIEL AGUDELO, HELEN OWNES, HOLLY KEITH, and AMANDA COOPER, on behalf of themselves and others similarly

situated,

Plaintiffs, and Lead Plaintiffs for the Proposed Class

-against-

RECOVCO MORTGAGE MANAGEMENT LLC, SPROUT MORTGAGE LLC, MICHAEL STRAUSS, CHRISTOPHER WRIGHT, and ELLIOT SALZMAN,

Defendants.

Civ. No.: 22-cv-4004

NOTICE OF SUGGESTION OF BANKRUPTCY FOR SPROUT MORTGAGE, LLC AND AUTOMATIC STAY OF PROCEEDINGS

PLEASE TAKE NOTICE that, on July 7, 2023, an involuntary petition against Sprout Mortgage, LLC ("Debtor") was filed under chapter 7 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Eastern District of New York (the "Bankruptcy Court"). A copy of the involuntary petition against the Debtor is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that pursuant to section 362(a) of the Bankruptcy Code, the filing of the involuntary petition against Debtor gives rise to a stay of among other things: (a) the commencement or continuation of any judicial, administrative, or other action or proceeding against the Debtor (i) that was or could have been commenced before the commencement of the Bankruptcy Court case or (ii) to recover a claim against the Debtor that arose before the commencement of the Bankruptcy Court case; (b) the enforcement, against the Debtor or against any property of the Debtor's bankruptcy estates, of a judgment obtained prior to

the commencement of the Bankruptcy Court case; and (c) any act to obtain possession of property

of or from any of the Debtor's bankruptcy estates, or to exercise control over property of any of

the Debtor's bankruptcy estates. No order has been entered in the Bankruptcy Court case granting

relief from the automatic stay.

PLEASE TAKE FURTHER NOTICE that additional information regarding the status

of the Debtor's Bankruptcy Court case may be obtained by visiting the Court's website at

https://www.nyeb.uscourts.gov/ (PACER login and password required) in accordance with the

procedures and fees set forth therein.

PLEASE TAKE FURTHER NOTICE that contempt proceedings may be initiated

against any party who participates in a violation of the automatic stay, and, pursuant to the

provisions of the Bankruptcy Code, the Bankruptcy Court may award actual damages, including

costs and attorneys' fees (and, in some circumstances, punitive damages) to compensate the Debtor

for losses arising out of violations of the automatic stay.

WHEREFORE, the Debtor therefore requests that the above-captioned matter be taken

off the Court's active calendar pending resolution of the Debtor's Bankruptcy Court case.

Dated: Melville, New York

July 12, 2023

Respectfully submitted,

JACKSON LEWIS P.C.

ATTORNEYS FOR DEFENDANTS

58 South Service Rd., Ste. 25-

Melville, New York 11747

(631) 247-4660

marc.wenger@jacksonlewis.com

By: s/ Marc S. Wenger

Marc S. Wenger, Esq.

¹ Nothing herein shall constitute a waiver of the Debtor's rights to assert any claims, counterclaims, defenses, rights of setoff or recoupment, or any other claims against any party to the abovecaptioned cases. The Debtor expressly reserve all rights to contest any claims that may be asserted

against the Debtor.

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EXHIBIT A

Fill in this information to ide	antify the case:	
United States Bankruptcy Cou	10 Marine 11 - 12 11	
	trict of New York	
Case number (If known):	(State)	
		☐ Check if this is ar
Off:-:-! E 205		amended filing
Official Form 205		
Involuntary P	etition Against a Non-In	dividual 12/15
a case against an individual, us	se the <i>Involuntary Petition Against an Individual</i> (Offic	debtor subject to an involuntary case. If you want to begin ial Form 105). Be as complete and accurate as possible. If Iditional pages, write debtor's name and case number (if
Part 1: Identify the Chapt	ter of the Bankruptcy Code Under Which Petitic	on Is Filed
Chapter of the	Check one:	
Bankruptcy Code	☑ Chapter 7	
	☐ Chapter 11	
Part 2: Identify the Debto	or	
2. Debtor's name	Sprout Mortgage, LLC	
3. Other names you know the debtor has used in the last 8 years		
Include any assumed names, trade names, or doing business as names.		_
4. Debtor's federal Employer Identification Number (EIN)	☐ Unknown	
	EIN	
5. Debtor's address	Principal place of business	Mailing address, if different
	90 Merrick Avenue	
	Number Street	Number Street
		P.O. Box
		110. 800
	Fresh Meadows NY 11554 City State ZIP Code	City State ZIP Code
		Location of principal assets, if different from principal place of business
	Nassau County	principal place of Madifico
	County	Number Street

City

ZIP Code

State

Case 1-25-42369 Doc 1 Filed 07/05/23 Entered 07/05/23 17:17:48

D	ebtor <u>Sprout Mortgage Ll</u> Name	LC Case number (if known)					
6.	Debtor's website (URL)						
7.	Type of debtor	 ☑ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP)) ☐ Partnership (excluding LLP) ☐ Other type of debtor. Specify: 					
8.	Type of debtor's business	Check one:					
		☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))					
		☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))					
		Railroad (as defined in 11 U.S.C. § 101(44))					
		☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))					
		Commodity Broker (as defined in 11 U.S.C. § 101(6))					
		☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))					
		☑ None of the types of business listed.					
		☐ Unknown type of business.					
9.	To the best of your	⊠ No					
	knowledge, are any	Yes. Debtor Relationship					
	bankruptcy cases pending by or against						
	any partner or affiliate of this debtor?	District Date filed Case number, if known MM / DD / YYYY					
		Debtor Relationship					
		District Date filed Case number, if known					
		MM / DD / YYYY					
Pa	Report About the	Case					
10.	Venue	Check one:					
		Over the last 180 days before the filing of this bankruptcy, the debtor had a domicile, principal place of business, or principal assets in this district longer than in any other district.					
reenene		A bankruptcy case concerning debtor's affiliates, general partner, or partnership is pending in this district.					
11.	Allegations	Each petitioner is eligible to file this petition under 11 U.S.C. § 303(b).					
		The debtor may be the subject of an involuntary case under 11 U.S.C. § 303(a).					
		At least one box must be checked:					
		The debtor is generally not paying its debts as they become due, unless they are the subject of a bona fide dispute as to liability or amount.					
		☐ Within 120 days before the filing of this petition, a custodian, other than a trustee, receiver, or an agent appointed or authorized to take charge of less than substantially all of the property of the debtor for the purpose of enforcing a lien against such property, was appointed or took possession.					
12.	Has there been a	☑ No					
	transfer of any claim against the debtor by or	Yes. Attach all documents that evidence the transfer and any statements required under Bankruptcy					
	to any petitioner?	Rule 1003(a).					

Name					
namo					
h petitioner's claim Name of petitioner		Nature of petitioner's claim Amount of the claim above the value of any lien			
	New Wave Leanding Group, Inc.	Flow Mortgage Loan Purchase and Sale Agreement.	\$ 561,501.60		
	JMJ Financial Group	Flow Mortgage Loan Purchase and Sale Agreement.	\$_198,670		
	EF Mortgage LLC	Flow Mortgage Loan Purchase and Sale Agreement.	\$ <u>585,475.40</u>		
		Total of petitioners' claims	\$ <u>1,345,647</u>		
nal petitioning creditor, ant under penalty of pe	, the petitioner's claim, the petitioner rjury set out in Part 4 of the form, fol	's representative, and the petitioner's attorney. Inclu	ide the		
			ines up to		
ng creditor is a corporation epresentative appointed	on, attach the corporate ownership state I in a foreign proceeding, attach a certifi	ement required by Bankruptcy Rule 1010(b). If any petition indicates the order of the court granting recognition.	oner is a		
ers or Petitioners' Rep	resentative	Attorneys			
nd mailing address of	petitioner				
ave Lending Group, Inc.	•	ALBENA PETRAKOV			
		Offit Kurman			
alrway Drive		Firm name, if any			
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maday	State ZIP Code	Number Street			
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	space is needed to list of each sheet. Followin all petitioning creditor, nt under penalty of perith the signature of the Request for Relief NG Bankruptcy fraud is corrected in a corporative appointed examined the information ers or Petitioners' Repund mailing address of fave Lending Group, Inc.	New Wave Leanding Group, Inc. JMJ Financial Group EF Mortgage LLC space is needed to list petitioners, attach additional sheets of each sheet. Following the format of this form, set out the lal petitioning creditor, the petitioner's claim, the petitioner int under penalty of perjury set out in Part 4 of the form, fol ith the signature of the petitioner's attorney. Request for Relief IG Bankruptcy fraud is a serious crime. Making a false state to or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152 are request that an order for relief be entered against the debtoring creditor is a corporation, attach the corporate ownership state epresentative appointed in a foreign proceeding, attach a certific xamined the information in this document and have a reasonable or Petitioners' Representative and mailing address of petitioner are large Lending Group, Inc. Street Industry California 91789	New Wave Leanding Group, Inc. JMLEInancial Group EF Mortgage LLC Flow Mortgage Loan Purchase and Sale Agreement. Total of petitioners' claims space is needed to list petitioners, attach additional sheets. Write the alleged debtor's name and the case numb of each sheet. Following the format of this form, set out the information required in Parts 3 and 4 of the form for all petitioning creditor, the petitioner's claim, the petitioner's representative, and the petitioner's attorney. Including the formation of the petitioner's attorney. Including the formation of the petitioner's attorney. Including the formation of the petitioner's attorney. Including period to the petitioner's attorney. Request for Relief GBankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in 20 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571. The request that an order for relief be entered against the debtor under the chapter of 11 U.S.C. specified in this petition, against a corporation, attach the corporate ownership statement required by Bankruptcy Rule 1010(b). If any petition are requested the information in this document and have a reasonable belief that the information is true and correct. Attorneys and mailing address of petitioner are Lending Group, Inc. ALBENA PETRAKOV Printed name Offit Kurman Flow Mortgage Loan Purchase and Sale Agreement. Flow Mortgage Loan Purchase and Sale Agreement. Total of petitioners' calims. Attorneys ALBENA PETRAKOV Printed name Offit Kurman Flow Mortgage Loan Purchase and Sale Agreement. Total of petitioners' calims.		

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CERTIFICATE OF SERVICE

I hereby certify that on July 12, 2023, **DEFENDANT SPROUT MORTGAGE LLC'S NOTICE OF SUGGESTION OF BANKRUPTCY FOR** *SPROUT MORTGAGE*, *LLC* **AND AUTOMATIC STAY OF PROCEEDINGS** was electronically filed with the Clerk of the Court using the CM/ECF System and caused to be served in accordance with the Federal Rules of Civil Procedure and the Eastern District's Local Rules, addressed to:

BRUCE E. MENKEN, ESQ.

MENKEN SIMPSON & ROZGER LLP

ATTORNEYS FOR PLAINTIFFS

80 Pine St., 33rd Floor

New York, NY 10005

bmenken@nyemployeelaw.com

/s/ Marc S. Wenger
Marc S. Wenger, Esq.

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